



March 7, 2006

Lynn Fabrizio, Staff Attorney/Hearings Examiner
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH

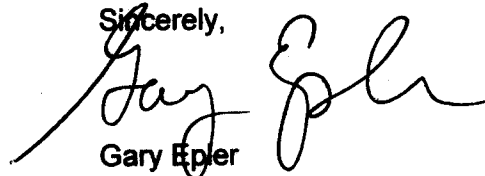
Re: Investigation into Utility Poles
Unitil Energy Systems, Inc. Response to Data Requests
DM 05-172

Dear Lynn:

On behalf of Unitil Energy Systems, Inc. ("Unitil"), enclosed please find an original and four (4) copies of the Company's responses to Commission Staff's Third Set of Document and Information Requests, including responses to Request Nos. Staff 3-1, 3-2, 3-3, 3-4, 3-6, 3-7, 3-9, 3-10, 3-11, 3-15, 3-16, 3-17, 3-18, 3-21, 3-25, 3-27, 3-28, 3-29, 3-30, 3-31, 3-37, and 3-39. An electronic copy of this filing is being e-mailed to all parties.

Thank you for your attention to this matter.

Sincerely,



Gary Epler

Enclosure

cc: Librarian
Tom Frantz, Director Electric Division
Amanda Noonan, Director Consumer Division
Kate Bailey, Director Telecommunications Division
Kathryn Akerman, NHPUC
Randy Knepper, NHPUC
Maryanne Lutz, NHPUC
Robert Rohnstock, NHPUC
Service List (by e-mail)

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New Hampshire Public Utilities Commission
Generic Investigation Into Utility Poles
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UES Response to Commission Staff's Third Set of Data Requests

Request No. Staff 3-1

By work area and for the years 2000-2005 inclusive, please supply the yearly average of:

- a) The number of poles you are responsible for;
- b) The number of poles in inventory by length and class;
- c) The total number of new poles set each for maintenance replacements, new construction requests by customers, and new construction/replacements for public works projects.

Response:

- a) The number of jointly owned poles Unutil Energy Systems, Inc. ("Unutil") is responsible for maintaining pursuant to our joint ownership agreement is as follows:

Year	Capital	Seacoast
2000	14,371	12,491
2001	14,452	12,698
2002	14,554	12,806
2003	14,642	12,838
2004	14,736	12,857
2005	14,866	13,078

- b) Unutil interprets this question to mean the inventory of jointly owned poles installed in the field, not the inventory of poles carried in stock (consistent with question 3-15). Unutil does not maintain historical records on the class of the poles. Records are maintained regarding the length of poles in our inventory, as shown in following charts:

Capital						
Length	2000	2001	2002	2003	2004	2005
25'	271	268	264	263	259	256
30'	4214	4240	4201	4172	4146	4092
35'	8587	8584	8602	8596	8606	8585
40'	5244	5386	5483	5591	5657	5836
45'	940	991	1014	1024	1038	1069
50'	170	178	179	180	180	180
55'	14	14	14	14	14	14
60'	6	6	6	6	6	6

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Seacoast

Length	2000	2001	2002	2003	2004	2005
25'	68	155	149	147	143	143
30'	3706	3980	3941	3845	3792	3777
35'	12241	12171	12123	12070	11992	11993
40'	8442	8787	8905	9051	9186	9385
45'	2077	2226	2369	2443	2544	2634
50'	248	283	293	298	314	323
55'	36	39	41	43	44	44
60'	41	42	42	42	44	44

- c) The records regarding new poles set each for maintenance replacements, new construction requests by customers, and new construction/replacements for public work projects are not individually tracked and recorded during our normal course of business. However, records for *all* poles installed (new or replacements) during the course of the year are recorded as follows:

Year	Capital	Seacoast
2000	404	640
2001	297	436
2002	295	440
2003	347	571
2004	357	440
2005	213	404

Person Responsible: Scott D. Wade, Dale Nudd **Date:** March 7, 2006

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Request No. Staff 3-2

All: When you set a new pole for new construction, a new pole for construction of public works projects, and a new pole beside an existing pole as a maintenance project, please describe the accounting process used for placement into rate base.

Response:

In the electric utilities maintenance area, the original installation cost is charged to Plant-In-Service at the time the pole is installed. Once telephone agrees to joint ownership and the appropriate paperwork is processed, a credit is applied to Plant-In-Service when the billing is completed.

In a telephone maintenance area, once the electric company receives notification from telephone for joint ownership, the pole is charged to Plant-In-Service when we pay for joint ownership.

Person Responsible: Tressa Northrup

Date: March 7, 2006

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Request No. Staff 3-3

All: For the same conditions as stated in Request #3 above, please describe your process for removing poles from rate base.

Response:

The poles are not retired from Plant-In-Service until the pole has been removed from the ground. In electric set areas, telephone is given 60 days to remove their equipment from the pole. After 60 days have passed, the responsibility to remove the pole transfers to the telephone company. Telephone notifies us when the pole has been removed. Once notification has been received the original cost of the pole is retired from Plant-In-Service.

Person Responsible: Tressa Northrup

Date: March 7, 2006

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Request No. Staff 3-4

For the years 2000 through 2005 inclusive, please supply by work area:

- a) The number of line/construction (not repair or installation) crews assigned to New Hampshire at the beginning of the year;
- b) The percentage of their time budgeted to New Hampshire;
- c) The percentage of their time charged to New Hampshire at year end.

Response:

- a) Please see response to Staff 1-27.
- b) 100 percent of their time is budgeted to New Hampshire.
- c) 100 percent of their time was charged to New Hampshire at year end.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-6

Do your individual pole setting objectives (response to Staff 1-34) include loading the pole and travel time?

Response:

Yes.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-7

What is the average time it takes for a work order for a single pole to be written, issued, scheduled and set in your maintenance area, and are there intervals between any of the functions listed that make estimating an average difficult or impossible?

Response:

Although records on this matter are not specifically maintained during the normal course of business, Unital estimates that it takes, on average, approximately fifteen (15) working days from the time a request or work order is issued to the final placement (setting) of a single pole within UES maintenance area.

The challenging functions of this estimate include the timeliness of Verizon to meet on site (if applicable) and/or field conditions that may delay the ability to stake or install the pole.

Person Responsible: Scott D. Wade, Dale Nudd **Date:** March 7, 2006

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Request No. Staff 3-9

For the years 2000 through 2005 inclusive, has any entity on which you depend to set poles for what you would consider normal work, delayed your requested installation schedules? If so, please list each occurrence by year and the duration of each delay.

Response:

Yes. As a general rule, virtually all construction projects requiring Verizon pole sets are delayed beyond the originally communicated need date. Poles are set only after repeated requests for scheduling status, and continued pressure is applied on Verizon engineering and construction management.

UES has not maintained records of this information back to 2000, however the following information has been maintained over the period indicated.

Year	Location	Duration of Delay
2005	Railroad Ave, Seabrook	8 weeks
2005	Rt. 108, Plaistow	2 weeks
2005	Main St., Kingston	4 weeks
2005	Westside Dr, Atkinson	2 weeks
2006	Maple Ave, Atkinson	UES set poles

Person Responsible: Scott D. Wade, Dale Nudd

Date: March 7, 2006

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Request No. Staff 3-10

With regard to transferring equipment to a new pole from an existing location, please describe the process on how you include third party (defined as all others except electric and telephone) entities into the process. As part of your response, describe any problem areas encountered.

Response:

Please see the response provided to Staff 1-19.

UES is not aware of any problems with third parties.

Person Responsible: Scott Wade, Dale Nudd

Date: March 7, 2006

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Request No. Staff 3-11

Please supply your policy regarding the lashing of your facilities to other facilities owned by you and other facilities owned by others to maintain National Electrical Safety Code clearance requirements.

Response:

This construction practice is not allowed on our electric facilities. Therefore, UES does not have a policy regarding lashing of our facilities to other facilities.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-15

Do your pole inventories contain records of which licensees are attached to your poles? If yes, please provide the information.

Response:

Yes. Please see Attachment UES-Staff 3-15 for the information.

Person Responsible: Scott D. Wade, Dale Nudd **Date:** March 7, 2006

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Request No. Staff 3-16

Do you require licensees to tag their facilities on a pole? Do you enforce the policy? Please describe your enforcement procedures.

Response:

Yes, there is a provision in the attachment agreement requiring the licensee to place identification tags on cables located on poles as well as identification apparatus tags on any associated items of Licensee's Facilities. UES expects compliance but does not routinely enforce tagging requirements.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-17

Do you notify licensees that poles are ready to transfer or do you rely on Verizon to do so?

Response:

Yes. Please see Staff 1-19.

Person Responsible: Scott D. Wade, Dale Nudd **Date:** March 7, 2006

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Request No. Staff 3-18

Are you satisfied with your current transfer notification process or can it be improved? Do you think it would be beneficial to establish an electronic transfer notification database shared between pole owners and licensees?

Response:

Yes, we are satisfied with our outbound notification process. However, Verizon frequently does not complete the notification process as prescribed in our Intercompany Operating Procedures. This could be improved.

UES would be interested in discussing improvements, including the establishment of a shared, electronic database.

Person Responsible: Scott D. Wade, Dale Nudd **Date:** March 7, 2006

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Request No. Staff 3-21

For the years 2000 through 2005 inclusive, please list all the public works jobs where poles were not removed, set, or moved in the time frame originally requested. As part of your response state how late the requested work was and the reason for the delay.

Response:

UES is not aware of any public work jobs where poles were not removed, set, or moved in the timeframe originally requested as a result of UES' actions or inactions. However, we are aware that many public works jobs have been delayed beyond the timeframe originally requested due to inaction by Verizon. As we are not involved in discussions with Verizon on these projects, UES is unable to speak to the reasons for the delays. In addition, as stated in Staff 2-35, UES has been asked by municipal officials to contact Verizon to assist in pole relocation/removal and we have complied when requested.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-22

Please supply a copy of your policy of discarding old poles that have been removed from service. If you consider the old pole an environmental hazard requiring specific disposal techniques, please indicate whether your company has, does, or will, cut an old pole (T or D) at the ground line to facilitate economic removal of the pole.

Response:

UES does not have a company policy for discarding old poles. UES contracts with a private vendor for the disposal of old poles. Chemically treated old poles are disposed of in appropriately permitted landfills.

UES will cut an old pole in a Right-of-Way at the ground line in a wetland area only. This is not an economic decision, but done at the request of the NH Department of Environmental Services. This practice is not otherwise performed on our system.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-25

All: Have any serious discussions occurred between Verizon and the electric companies concerning maintenance trimming responsibilities in the joint operating practices and the need to change those agreements to reflect individual company trimming policy?

Response:

Yes, extensive discussion has taken place between Unitil and Verizon concerning maintenance trimming responsibilities. We have not discussed the need to change intercompany agreements to reflect individual company trimming policy. It is our position that the existing agreement adequately covers joint trimming practices and responsibilities.

The Intercompany Operating Procedures ("IOP") adopted pursuant to the 1996 Joint Pole Agreement ("JPA") between Verizon New England, Inc. ("Verizon") and Unitil Energy Systems, Inc. ("UES") and Fitchburg Gas and Electric Light Company ("FG&E") specifically address the matter of the responsibility for and allocation of costs of tree trimming. IOP # 17 provides (in part) that: ¹

The purpose of this Intercompany Operating Procedure is to establish a definite method of allocating the costs of trimming and any related basal ground spraying of tree and brush stumps associated with the construction and maintenance of a joint pole line.

IOP # 17 divides tree trimming between Maintenance Trimming (to maintain line clearances, including storm related activity) and Construction Trimming (trimming associated with additions, extensions, reconstructions or pole replacements). The provisions regarding Maintenance Trimming provide that:

Maintenance trimming shall be done on a joint basis when both companies have a need. When it is agreed that both parties will benefit in such Joint Tree Trimming the division of cost will be 75% electric Company and 25% Telephone.

It is the viewpoint of UES that all utilities with pole and line facilities are responsible for regular and ongoing tree trimming and tree removal to maintain clearances and protect their lines in accordance with statutory and industry standards. The intent of

¹ A copy of IOP #17 was included with the Joint Ownership Agreement and Intercompany Operating Procedures provided in bulk Attachment Staff-UES 1-22.

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IOP #17 is for the electric and telephone utilities to share in the cost of maintenance trimming for all jointly owned lines. Since Maintenance trimming is required to maintain line clearances, it is UES' position that there will always be a "mutual benefit" to such trimming. UES recognizes that there is a greater need to maintain clearances around electric lines, but submits that the 75-25 cost split reflects this greater need and appropriately allocates the benefits and costs between the telephone and electric companies. If IOP #17 is interpreted as to allow Verizon to decline to participate in the cost of maintenance trimming of joint facilities, it would permit them to benefit from these services without sharing in their cost. Furthermore, the very existence of IOP #17 logically suggests that both parties recognized a need for ongoing trimming of joint pole lines, and wished to share in the cost of such trimming. An interpretation that allows Verizon to decline participation in the costs and responsibilities of maintaining line clearances obviates the need for the IOP.

Verizon's participation in the costs of maintenance trimming in the UES service area has not been satisfactory in recent years, beginning at least in the late 1990's. This was in contrast to the experience in Massachusetts with FG&E, where, pursuant to the same JOA and IOP, Verizon was, until recently, fully participating in its 25% share of maintenance trimming costs. In an attempt to address this, during the period of 2000-2002, operating personnel at the two operating centers, UES Capital (at that time known as Concord Electric Company) and UES Seacoast (at that time known as Exeter and Hampton Electric Company) undertook efforts to communicate with their counterparts at Verizon concerning trimming activities, and provided extensive supporting documentation of the areas to be trimmed and their respective costs. An internal e-mail discussing this change is provided as Attachment Staff 3-25 No. 1.

Despite the efforts undertaken during this period, little was achieved. Verizon's participation in joint trimming costs continued to be sporadic at best. Most of the time, when presented with documentation of either Seacoast's or Capital's trimming activities, Verizon refused to participate stating they were "not interested" or they had "no need" for the trimming. A sample of the notice forms and invoices provided to Verizon with Verizon's responses are provided in Attachment Staff 3-25 No. 2. This appeared to be a coordinated internal policy decision, rather than an informed maintenance decision based on field review of joint lines. Verizon declined to participate in joint trimming even where there was an acknowledged need and where Verizon would benefit from such trimming, citing "budget constraints". This is evidenced in the correspondence provided as Attachment Staff 3-25 No. 3.

As a result of this inability to gain Verizon's participation in the costs of maintenance trimming, the UES operating centers curtailed their notice, coordination and billing efforts with Verizon during 2003 and 2004.

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Beginning in late 2004, a series of meetings were held between Verizon and UES to discuss a range of operational issues including emergency pole sets, new construction, scheduling, double poles, pole testing, the administration of the IOPs, and tree trimming. These meetings were held on November 8, 2004, December 13, 2004 and May 12, 2005. At approximately the same time, billing of Verizon for joint maintenance trimming by UES was resumed, beginning with 2004.

The three meetings between Verizon and UES did not lead to a resolution of maintenance trimming cost sharing or the other operational issues. As a result, on May 18, 2005, a letter was sent by Thomas Meissner, Senior Vice-President, Operations and Engineering, Unitil Corp. to Lisa Thorne, Vice President, Regulatory Affairs, Verizon New Hampshire requesting a "high level meeting of decision makers from both companies." A copy of this letter is provided as Attachment Staff 1-30 No. 4. This meeting was held on August 15, 2005. This meeting precipitated an exchange of four letters between Polly Brown, Region President, Northern New England, Verizon New England, and Thomas Meissner. Copies of these letters were provided as Verizon Attachment 1-31 Attach I, II, and III, and Unitil's Supplemental Response to 1-31.

UES continues to bill Verizon for ongoing maintenance trimming, and meetings between the companies to review outstanding operational and billing issues related to maintenance trimming are ongoing. Copies of recent correspondence between the companies on this issue are provided as Attachment Staff 3-25 No. 5.

Person Responsible: Thomas Meissner and Ray Letourneau

Date: March 7, 2006

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Request No. Staff 3-27

Does your company have a maintenance trimming program, including standards, policies, criteria for maintaining line clearances, controlling vegetation and tree contact? If yes, please provide a copy. If no, please explain why your company does not have such a program.

Response:

Yes. Please see Attachment UES-Staff 3-27.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-28

Please provide a summary by year, for each of the past 5 years, of your expenditures for maintenance tree trimming (i.e., trimming not associated with additions, extensions, overlashing, construction or reconstruction). Please include in this summary the number of miles trimmed in each year.

Response:

Year	Total Expenditures	Miles Trimmed
2001	\$653,043.41	113.77
2002	\$618,790.56	169.61
2003	\$774,091.60	184.72
2004	\$806,947.84	165.39
2005	\$727,343.89	119.21

Person Responsible: Scott D. Wade, Dale Nudd

Date: March 7, 2006

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Request No. Staff 3-29

When performing trimming of joint lines, what standards or specifications are used for line clearances? (In other words, how much is cut?)

Response:

See Request No. Staff 3-27.

Additionally, please refer to Intercompany Operating Procedure #17 – Joint Trimming, as provided within Request No. Staff 1-22.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-30

Does your company perform maintenance trimming of service lines to customer homes? If a customer calls requesting that its service line be trimmed, what is your response?

Response:

Yes, UES performs maintenance trimming of service lines to customer homes.

If a customer calls requesting a service line be trimmed, UES informs the customers that a field survey will be completed within one week. Should the company representative observe a tree or limb that presents an immediate threat or hazardous condition, the company will trim the service and/or otherwise remove the threat or hazardous condition.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-31

How many miles of overhead line does your company own and maintain in your New Hampshire service area(s)?

Response:

UES has a total of 1,145 miles of primary overhead pole miles, as well as 445 miles of secondary/service pole miles.

Person Responsible: Raymond A. Letourneau, Jr. **Date:** March 7, 2006

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Request No. Staff 3-37

All: What is your company's legal liability at a double pole location if an accident occurs involving one or both of the poles in place?

Response:

Unitil has submitted an objection to this request. It is our understanding that this request has been withdrawn.

Person Responsible:

Date: March 7, 2006

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Request No. Staff 3-39

All: To the extent that the information requested in this request has been supplied in a previous response, please supply a reference. The National Electrical Safety Code requires inspections, record keeping, and timely correction of defects found during inspections. (If you disagree with this interpretation, please supply your interpretation of the National Electrical safety Code and a detailed rebuttal of the position stated herein). For poles, clearances, broken guy wires, slack guy wires, or defective attachment hardware, please supply, by year, for the years 2000 through 2005 inclusive:

- a) The frequency at which these inspections are performed;
- b) The percentage of the system inspected and how that percentage is calculated;
- c) The priority for replacement given including any time requirements;
- d) A copy of the inspection sheet (or screens) used by the inspector;
- e) A description of the method on how you track the deficiencies noted and completion progress;
- f) The backlogs at year end for each item.

Response:

See Staff 1-12 for a), b), d).

c) Generally, priorities and time requirements are established based upon the severity of the condition.

e) Deficiencies are noted by the inspector on the Overhead Distribution and Pole Test Report. A Construction Planner is created and placed into the work schedule. Work is completed depending upon severity of the condition as resources are available.

f) This information is not tracked in a manner that would allow for the determination of the existence of an inspection-generated work backlog at year end.

Person Responsible: Scott Wade, Dale Nudd

Date: March 7, 2006